



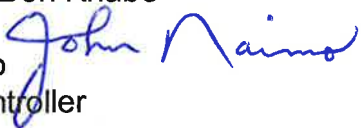
JOHN NAIMO  
AUDITOR-CONTROLLER

## COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

April 23, 2015

TO: Supervisor Michael D. Antonovich, Mayor  
Supervisor Hilda L. Solis  
Supervisor Mark Ridley-Thomas  
Supervisor Sheila Kuehl  
Supervisor Don Knabe

FROM: John Naimo   
Auditor-Controller

SUBJECT: **DEPARTMENT OF MENTAL HEALTH SERVICE PROVIDERS FISCAL MONITORING – FISCAL YEARS 2009-10 AND 2011-12**

At the request of the Department of Mental Health (DMH or Department), we contracted with a Certified Public Accounting (CPA) firm, Moss, Levy & Hartzheim, CPAs (MLH), to conduct fiscal monitoring reviews of DMH-operated clinics and contract service providers (i.e., private clinics, other County departments, and State-operated clinics). The clinics and contractors provide mental health services and are paid with a combination of federal, State, and County funds.

The fiscal monitoring conducted by MLH was intended to ensure the DMH-operated clinics and contract service providers maintained adequate documentation for the services billed, appropriately spent Program funds, and reported their Program costs in compliance with the applicable funding source guidelines and their County contract.

The fiscal monitoring covered 22 DMH-operated clinics and 48 contract service providers. The following is a breakdown of the monitoring by provider-type by fiscal year.

Fiscal Year	Audited Providers		
	DMH-Operated Clinics	Contract Service Providers	Total
2009-10	22	34	56
2011-12	-	14	14
<b>Total</b>	<b>22</b>	<b>48</b>	<b>70</b>

DMH selected the fiscal years reviewed because DMH-operated clinics and contract service providers are allowed to submit service billings and supporting documentation up to 18 months after the end of a fiscal year. At the Department's request, MLH did not review Fiscal Year (FY) 2010-11 and will rely on the results of the State's audit for that period.

### **Results of Review**

As indicated in the attachment, MLH identified \$583,995 in questioned costs; \$323,131 for DMH-operated clinics, and \$260,864 for the contract service providers. DMH indicated that they are working to resolve the \$323,131 in questioned costs for DMH-operated clinics. DMH has also collected \$234,517 of the \$260,864 from the contract service providers, and is in the process of resolving the remaining \$26,347. DMH has indicated that they will reimburse the State for any unresolved questioned costs from DMH-operated clinics and contract service providers.

MLH noted that the questioned costs were primarily due to the DMH-operated clinics and contract service providers not providing the required documentation (e.g., Progress Notes, Daily Service Logs, Community Outreach Service forms, timecards, etc.) for the billings or expenditures reviewed or not providing the client folders for review.

In addition, MLH noted that the DMH-operated clinics and contract service providers did not always provide updated/complete Payor Financial Information forms, which are used to determine the clients' ability to pay. However, these issues did not directly result in any questioned costs.

### **Review of Report**

MLH discussed each report with the respective DMH-operated clinics, contract service providers, and DMH. The DMH-operated clinics and contract service providers are required to submit Corrective Action Plans (CAP) to DMH to address the findings and recommendations. DMH will provide your Board with periodic updates on their collection efforts, and follow up to ensure DMH-operated clinics and contract service providers implement their CAPs.

Due to the large number of reviews, copies of the individual reports are not enclosed, but are available upon request. If you have any questions please call me, or your staff may contact Don Chadwick at (213) 253-0301.

JN:AB:DC:EB:sk

Attachment

c: Sachi A. Hamai, Interim Chief Executive Officer  
Dr. Marvin J. Southard, Director, Department of Mental Health  
Public Information Office  
Audit Committee

**FISCAL MONITORING OF MENTAL HEALTH SERVICE PROVIDERS  
FISCAL YEARS 2009-10 AND 2011-12**

<b>Number</b>	<b>Service Providers</b>	<b>Total Questioned Costs</b>
<b>CONTRACT SERVICE PROVIDERS FISCAL YEAR 2009-10</b>		
1	ASC Treatment Group	\$450
2	Catholic Healthcare West dba California Hospital Medical Center	-
3	Center for Integrated Family and Health Services (The Family Center)	-
4	Children's Hospital of Los Angeles	\$16,351
5	Community Family Guidance Center	\$19,544
6	Didi Hirsch Psychiatric Services	\$17,233
7	D'Veal Corporation dba D'Veal Family and Youth Services	\$2,853
8	Exceptional Children's Foundation	-
9	Exodus Recovery, Inc.	\$459
10	Families First, Inc. dba EMQ	\$3,402
11	Foothill Family Service	\$1,360
12	Jewish Family Service of Los Angeles	\$2,342
13	JWCH Institute, Inc.	\$10,602
14	Koreatown Youth and Community Center, Inc.	-
15	Los Angeles Unified School District	\$28,839
16	Optimist Boys' Home & Ranch, Inc.	\$1,327
17	Para Los Ninos	\$586
18	Pasadena Unified School District	-
19	Phoenix Houses of Los Angeles, Inc.	\$13,884
20	St. John's Hospital and Health Center	\$6,954
21	The Village Family Services	\$5,400
22	United American Indian Involvement, Inc.	\$578
<b>CONTRACT SERVICE PROVIDERS FISCAL YEAR 2011-12</b>		
23	AIDS Project Los Angeles, Inc.	\$125
24	Behavioral Health Services, Inc.	\$2,781
25	Cedars-Sinai Medical Center	\$85,765
26	Filipino-American Service Group, Inc.	\$473
27	Hillview Mental Health Center, Inc.	\$3,826
28	Providence Community Services, LLC (formerly Aspen Community Services)	-
29	Special Service for Groups	\$5,778
30	SunBridge Harbor View Rehabilitation Center, Inc.	-
31	Telecare Corporation	\$1,793
32	The Guidance Center	-
33	The Los Angeles Child Guidance Clinic	\$1,449
34	Tobinworld	\$293
35	Topanga-Roscoe Corporation dba Topanga West Guest Home	\$26,417
36	VIP Community Mental Health Center	-
<b>Total Questioned Costs for Contract Service Providers</b>		<b>\$260,864</b>

Number	Service Providers	Total Questioned Costs
<b>DMH-OPERATED CLINICS FISCAL YEAR 2009-10</b>		
37	Antelope Valley Wellness and Enrichment Center	\$1,942
38	Arcadia Wellness Center	\$74
39	Coastal Asian Pacific	\$665
40	DMH Service Area (SA) 2 Navigation Team (Adult)	\$10,710
41	DMH SA 3 Navigation Team (Adult)	-
42	DMH SA 6 Navigation Team	\$9,651
43	DMH SA 7 Navigation Team	\$16,506
44	DMH SA 8 Navigation Team	\$794
45	Downtown Mental Health Center (MHC) Adult Field Capable Clinic	\$4,917
46	Downtown MHC Wellness Center	\$8,044
47	Edelman Wellness Center	\$1,539
48	Emergency Outreach Bureau (EOB) – SA 1 – Homeless (HMLS) Antelope	\$628
49	EOB – SA 2 – HMLS San Fernando	\$9,209
50	EOB – SA 4 – HMLS Downtown	\$2,170
51	EOB – SA 5 – HMLS Edelman	\$6,794
52	EOB – SA 6 – HMLS Augustus Freeman Hawkins	\$12,415
53	EOB – SA 7 – HMLS Rio Hondo	\$18,457
54	EOB – SA 8 – HMLS Long Beach	\$2,530
55	Hollywood MHC Full Service Partnership	\$7,763
56	Hollywood Wellness Center	\$378
57	Long Beach Adult	\$3,399
58	Long Beach Asian Pacific	\$827
59	Men's Jail Mental Health Services (MHS)	\$4,443
60	Northeast Wellness Center	\$587
61	Project 50 Mental Health Clinic	\$1,584
62	Roybal Family MHS	\$3,366
63	San Fernando MHS	\$5,133
64	Santa Clarita Valley MHC	\$1,794
65	South Bay MHS Wellness Center	\$4,477
66	Specialized Foster Care – SA 2 – Chatsworth	\$160,765
67	Specialized Foster Care – SA 3 – Glendora	\$11
68	Specialized Foster Care – SA 8 – South County	\$11,576
69	Transition Age Youth Admin/Division	\$944
70	West Valley MHC	\$9,039
<b>Total Questioned Costs for DMH-Operated Clinics</b>		<b>\$323,131</b>
<b>Total Questioned Costs for All Service Providers</b>		<b>\$583,995</b>